Congress of the United States Washington, DC 20515

September 10, 2003

The Honorable Duncan Hunter Chairman House Armed Services Committee 2120 Rayburn HOB Washington, D.C. 20515

The Honorable Chris Smith Chairman House Veterans' Affairs Committee 335 Cannon HOB Washington, D.C. 20515

The Honorable Bob Filner 2428 Rayburn HOB Washington, DC 20515 The Honorable Ike Skelton Ranking Member House Armed Services Committee 2120 Rayburn HOB Washington, DC 20525

The Honorable Michael Bilirakis Vice Chairman House Veterans' Affairs Committee 335 Cannon HOB Washington, D.C. 20515

Dear Conferees:

As you are preparing the FY04 Defense Authorization conference report, we urge you to end the Disabled Veterans Tax (formerly referred to as Concurrent Receipt) placed upon military retirees who are also eligible for VA disability pay.

As you know, retired members of the armed forces who have a service-connected disability see their military retirement pay reduced by the amount of compensation they receive from the Department of Veterans Affairs. Military retirees are the only federal employees subject to this offset and are essentially funding their own disability benefits. It is time to lift this unfair tax on disabled veterans and provide full compensation to all eligible military retirees.

Even though last year both the House and Senate included the elimination of the Disabled Veterans Tax in their FY03 Defense Authorization bills, conferees abandoned the effort to end the Disabled Veterans Tax and instead provided for a limited "special pay" for retirees with at least 60% disability resulting from a narrowly defined "combatrelated" injury and retirees with a 10% or greater disability resulting from an injury for which the retiree was awarded a Purple Heart. Sadly, this compromise will compensate only an estimated 35,000 of the nearly 700,000 retirees burdened by this unfair tax. This "special pay" is a mere shadow of what these disabled veterans deserve and what eliminating the Disabled Veterans Tax would provide. We urge you to take this opportunity to fully right this wrong.

Section 644 of the Senate amendment to H.R.1588 provides for the elimination of the Disabled Veterans Tax and permits retired members of the armed forces who have a service-connected disability to receive both military retirement pay and disability compensation from the Department of Veterans Affairs. We are calling on you to include this language in the final conference report.

For the last 17 years, legislation eliminating the Disabled Veterans Tax has been introduced in the House. Current legislation, H.R. 303, has 354 bipartisan cosponsors. You as conferees have an opportunity to finally provide relief to disabled military retirees and lift an undue burden on a more than deserving group.

Thank you for taking the time to consider this very important issue, and we stand ready to work with you on this matter.

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